IV. BUDGET ESTIMATES OF 1107.

15. I shall now pass on to our programme of receipts and expenditure for 1107 M. E.

For the next year, we are budgetting for a revenue of Rs. 84,67,000 and an expenditure of Rs. 84,14,700 which would leave a surplus of Rs. 52,300.

RECEIPTS.

16. We are thus anticipating an increase in revenue of Rs. 1,14,800 for 1107 as compared with the revised estimate of Rs. 83,52,200 for the current year. The principal heads showing substantial increases in receipts are 'Land Revenue,' 'Customs,' 'Stationery and Printing,' 'Stamps' and 'Scientific, etc., Departments.' The budget estimate under 'Land Revenue,' anticipates an increase of Rs. 82,900 as compared with the revised estimate of the current year (Rs. 12,16,200). The increase anticipated is mainly under 'Capital' due to the expected assignment in the coming year of forest exclusions and of a portion of the Ernakulam foreshore lands. Under 'Customs' a revenue of Rs. 12,50,000 is anticipated in the hope that with at least a partial restoration of the normal conditions we may be able to secure a larger revenue. The large increase of Rs. 93,500 over the revised estimate of Rs. 17,600 under 'Stationery and Printing' is due to the fact that the cost of stationery and printed forms supplied to the various departments has been ordered to be adjusted to the credit of this head, by corresponding debit to the departments concerned. This change has been introduced with a view to exercise economy in the use of stationery and printed forms. An increase of Rs. 33,900 is anticipated under 'Stamps' mainly under 'Sale of general and court fee stamp papers' while the 'Scientific, etc., Departments' anticipate an increase of Rs. 17,500 over the revised estimate of Rs. 12,300 chiefly due to the expected sale proceeds of the Stoneware Factory.

17. Against these increases, substantial decreases in revenue are also anticipated under a few heads appreciably under 'Abkari and Ganja' which shows a further decline of Rs. 67,500, 'Tobacco' which falls short of the revised estimate by Rs. 46,700 on account of the depression in trade and 'Forests', which anticipate a further fall of Rs. 15,300 from the revised estimate of Rs. 5,00,000 due to less sale of timber and forest growth expected. Under the new head 'Profits from Capital Outlay' the budget estimate falls short of the revised estimate by

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Rs. 1,30,300 simply due to the fact that the increase in the revised estimate was on account of the adjustment in the current year of receipts on account of the interest including arrears on reclamation realised so far.

DISBURSEMENTS.

18. I now turn to the estimates of expenditure for the coming year. The expenditure which is contemplated for 1107 amounts to Rs. 84,14,700 or Rs. 1,28,200 less than the revised estimate of the current year. We are not free from anxiety whether it may be possible for us to realise all the anticipated revenue next year if the world wide economic depression continues. We have therefore taken pains to limit the expenditure for the next year to a considerable extent taking care at the same time that the needs of progressive administration are not starved or crippled. The proposals of the several Heads of Departments have been subjected to a close and thorough scrutiny and only the absolute requirements have been provided for; such of the items of expenditure as could stand postponement have been held over; a serious endeavour has been made to reduce the grant under 'Travelling allowance' and 'Contingencies'; the allotment for 'Public Works' has been reduced by Rs. 2,18,500 as compared with the revised estimate. It is only after having done all this that it has been found possible to have a balanced budget with a nominal surplus.

19. I shall now briefly deal with some of the salient features of the budget estimates which call for special comment since it is hardly possible for me to dwell on all the items in detail with the time at my disposal.

20. **Land Revenue.**—Only the usual provisions are made in the Land Revenue Department and the items that call for any comment are the provisions under 'Temporary establishment' many of which are but continuations of the existing schemes. The area registers have to be rewritten and the village maps republished. Hence the lump provision of Rs. 1,500 therefor.

21. **Agriculture.**—Repeated representations have been made in the Council for the opening of manure depots and of model farms in all taluks, etc. In spite of the financial stringency Government have made an attempt to provide for two manure depots one at Mulanthuruthi and the other at Vadakkancheri with a stud bull attached to each. As a first step in the opening of model farms in each taluk a provision of

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Rs. 1,500 has been made for demonstration to be made in ryots' lands. Under 'Exhibition' a provision of Rs. 1,000 has been made for two rural shows.

22. **Panchayats.**—A separate department has been organised for the Panchayats during the course of the current year in response to the wishes of the Council and in the hope that this bifurcation would lead to greater efficiency in both the departments even though it meant larger administrative expenditure. It is fervently hoped that with a sufficient number of Inspectors now appointed and with a full-time head of department to guide the panchayats the department would function more efficiently in future. Liberal provisions have, as usual, been made under the several heads of contribution to the village panchayats.

23. **Forests.**—As compared with the revised estimate of Rs. 4,01,700 the budget estimate for 1107 is fixed at Rs. 2,91,600 only, *i.e.*, Rs. 1,10,100 less chiefly owing to the smaller quantity of timber proposed to be extracted in the coming year on account of the dulness in the timber market. The Darbar scholars deputed for Dehra Dun are expected to return in the course of the next year.

24. **Tramway.**—The allotment is fixed at Rs. 1,42,500, against the revised estimate of Rs. 1,35,300 the increase being mainly under 'Capital' due to the provision made for the purchase of new trucks and for renewing one mile of rails which stand in urgent need of renewal.

25. **Registration.**—Besides the temporary Registry office opened last year at Kallettumkara a new Registry office is proposed to be opened at Narakkal the people of which locality has agreed to contribute Rs. 750 towards the opening of the office.

26. **General Administration.**—The census operations are expected to be wound up in the course of the next year and the staff disbanded on different dates as noted in the printed statements now before you.

27. **Accounts and Finance.**—The only provisions under this head that may require a word of explanation at my hands are those for the five additional auditors and the one temporary auditor for the reprint of the Codes. Since the submission of the report to the Special Finance Committee five years ago on the need for strengthening the department there has been an abnormal

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increase of work in the department especially in the Provident Fund section where the number of subscribers has risen from 740 at the end of 1100 to 2,783 at the beginning of Karkadagam, 1106 and in the pension section. The enforcement of the rule making it compulsory for all future entrants in superior service to join the institution as also the opening of the same to the inferior service is sure to increase still further the number now existing. One auditor can, according to competent authorities, safely deal with 500 subscribers; at this rate there is scope for five auditors in this section alone in place of the two now working. Some other sections in the office are also in arrears on account of the increase of work and require at least three more hands. It would not be denied that the Account Department should be maintained at a high level of efficiency and hence provision has been made for five additional hands which is the irreducible minimum. A reference to the Codes has become extremely difficult on account of the numerous correction slips issued to the C. A. C. Volume I and the C. S. R. and hence they are proposed to be reprinted.

28. **Law and Justice.**—The allotment for the next year includes the provision for the continuance of the Temporary Additional District Judge at Ernakulam (and not at Trichur as noted by a mistake in the printed budget) for a few months of the next year as also for the temporary Special First Class Magistrate and staff entertained in connection with the Kumblangi Riot cases. No other provisions under the head seem to require any explanation from me.

29. **Education.**—As compared with the revised estimate of Rs. 15,29,900, the budget estimate shows an increase of Rs. 19,800 mainly on account of accrual of increments and the larger provision under 'Collegiate Education' towards the purchase of science apparatus and the proposed grant-in-aid of Rs. 8,000 to the St. Teresa's College, Ernakulam. It is also proposed to raise the pay of the Professors from Rs. 200-400 to Rs. 400—500 and Rs. 250—400 respectively besides those of the Pandits and the Physical Director which is to be raised from Rs. 40—80 to Rs. 80—125. To meet the requirements of the new educational year lump provisions have also been made for additional divisions of classes. Enhanced provision has been made for 'Boy Scouts'.

The growth of the expenditure on 'Education' in recent years may be an interesting study to those who are interested in the matter.

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1101	Rs.	11·61 lakhs.
1102	,,	12·17 ,,
1103	,,	12·79 ,,
1104	,,	12·68 ,,
1105	,,	13·28 ,,

Revised estimate of 1106 Rs. 15·30 lakhs.

Budget estimate of 1107 Rs. 15·50 ,,

We are thus proposing nearly 18 per cent of our revenues on Education and we can justly take pride in the fact that very few States devote so much of their revenues for meeting this obligation. We await with interest the report on the Educational Survey now being conducted.

30. **Medical.**—Enhanced provisions for dietary charges of the patients and their bedding and clothing, the proposed entertainment of 24 additional nurses, etc., and 23 servants to attend on the sick in the various hospitals, the allotment for the organisation of a General Hospital Library with a view to improve the efficiency of the staff, the extension of the system of subsidised rural medical aid by the proposed grant to three more rural dispensaries, the larger allotment for the Leper Asylum to meet the needs of the institution, the award of a scholarship to one more lady doctor for foreign studies on the return of the present candidate, the lump provision for the anti-malarial survey about which representations have been made in the Council—these are some of the prominent features of the medical budget for the coming year. The extension of the humanitarian activities of the department has thus resulted in an increased provision of Rs. 4,21,000 for the coming year as against the revised estimate of Rs. 3,77,400, *i. e.*, Rs. 43,600 more than the revised e stimate.

31. **Stationery and Printing.**—The large increase of Rs. 38,000 as compared with the revised estimate is mainly due to the provision for the cost of printing paper, etc., owing to exhaustion of stock most of which, I may state, is recoverable from the several departments according to the new system of accounting already adverted to.

32. **Public Works.**—As compared with the revised estimate of Rs. 16,14,966 on the Civil Engineering side of the Public Works Department the budget estimate for the coming year is fixed at Rs. 13,21,891 only since our anticipated revenue for the current year does not permit of any further provision. According to the representations made in the Council before, the

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organisation of a separate division for Irrigation has been ordered with an Assistant Engineer at its head who will look after all the major irrigation works besides conducting the necessary investigations. Full details of the proposed expenditure on works in progress and on new works are, as usual, given in Appendix B to the budget estimates. It may be noted that of the allotment of Rs. 4,98,700 under 'Buildings' a provision of Rs. 2,50,000 is in connection with the college extension works at Ernakulam as proposed by the Committee appointed by the Government as a result of the vote of the Legislative Council on this question.

On the side of the Mechanical and Electrical Engineering a sum of more than Rs. 74,000 has been provided in the budget estimate as compared with the revised estimate mainly towards the Hydro-Electric Scheme and the Chellanam-Andikadavu water supply scheme about which much has been said in the Council.

33. Passing on I come to **'Uplift of the Depressed Classes'** under which the budget estimate is fixed at Rs. 1,20,100 as against the revised estimate of Rs. 1,03,800. The increase is mainly on account of the larger provision for the development of their colonies besides the expansion of the educational activities on their behalf. With the appointment of a full-time Protector of the Depressed Classes and his return after training, Government hope that more strenuous endeavours can be made for their uplift in the years to come.

34. **Railway and Harbour.**—These are the twin subjects which have been engrossing the attention of the Government for some years past. The conversion of the existing line into Broad Gauge has been decided upon and the work has been set on foot. The total scheme is expected to cost about Rs. 68 lakhs of which nearly Rs. 24 lakhs represent revenue expenditure to be met from the annual railway receipts and never payable in cash; again, about 7 lakhs of rupees representing the value of the rolling stock to be replaced will be recovered against the capital cost. The State may have thus to meet the balance of capital cost which would come to about Rs. 37 lakhs.

As regards the Harbour outlay, I may state for the information of the House that we have already paid for about 160 acres of reclamation at Rs. 12,000 per acre and we may have to pay for 90 acres more. We shall also have to pay for the whole 250 acres at Rs. 3,000 per acre on completion of the level. The reclamation outlay of Rs. 3 lakhs paid this year and that to be met hereafter

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may thus come to Rs. 21·30 lakhs. Besides, we have to incur our proportionate contribution for further improvements of the Harbour. The total outlay still required for the Harbour may amount to about Rs. 68 lakhs.

35. **The Hydro-Electric Scheme.**—The Darbar desire to work out this scheme also to a success and it may involve us in an expenditure of a few lakhs of rupees which can be known with definiteness only after further expert investigation.

36. **Loan.**—Thus for all the three schemes together we may have to spend not less than 125 lakhs of rupees in the near future and the question is how we may be able to face the situation. The net surplus to the credit of the State at the end of the last year, 1105, was 103·84 lakhs. Of this the following have to be considered as non-liquid balance not available for expenditure according to exigencies.

Net surplus	Rs.	103·84	lakhs
1. Harbour investments	,,	18·40	,,
2. Departmental Advances	,,	8·14	,,
3. Long term investments	,,	15·00	,,
4. Treasury requirements	,,	15·00	,,
Total	,,	56·54	,,
Liquid balance	,,	47·30	,,

Of this, the long term investment of Rs. 15 lakhs referred to above and regarded as non-liquid balance, includes also Government of India and Mysore Government Securities to the extent of about Rs. 7 lakhs which, however, are convertible in times of necessity. Thus the liquid balance at our disposal at the end of 1105 may roughly be taken as 54 lakhs. Deducting the anticipated deficit of about Rs. 2 lakhs this year we would thus have about Rs. 52 lakhs for the capital outlay required for the Harbour, Railway, Hydro-Electric Scheme, etc. In these circumstances it is possible the Darbar may go in for a loan of about Rs. 75 lakhs. The matter is engaging the earnest consideration of the Government and any suggestions which my friends on the other side may make would be quite welcome.

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37. **Retrenchment.**—The word 'Retrenchment' is in the air everywhere now and almost all Provinces have set up committees to consider the ways and means of effecting economies. Fortunately for us no huge deficits stare us at present and we shall watch with care the various proposals for retrenchment being given effect to elsewhere so that we may consider their application to the State also if and when actual necessity arises. Meanwhile Government consider that by a revision of our present travelling allowance rules it is possible to effect some appreciable savings; they are therefore considering the question.

38. **Cranganur.**—Now Sir, a few words about Cranganur and I have done. The transactions of 1105 closed with a surplus of Rs. 3,900 though a deficit of Rs. 7,570 was anticipated. This was brought about by increased receipts from 'Stamps', 'Abkari and Ganja', 'Opium' and 'Public Works' and by a fall in expenditure under 'Public Works'.

For 1106 we anticipated a revenue of Rs. 2,05,890 and an expenditure of Rs. 2,25,010 leaving a deficit of Rs. 19,120 ; but the revised estimates forecast a larger deficit. The revenue is expected to fall to Rs. 1,98,830 the decrease being mainly under 'Registration', 'Opium' and 'Interest'. The fall under the last item is on account of the withdrawal of deposits amounting to Rs. 50,000 granted as a special additional allotment to the Public Works Department in the course of the year. The expenditure, on the other hand, has increased to Rs. 2,82,590 mainly on account of 'Education' and 'Public Works'. The recent revision accounts for the increase under 'Education'. A fuller explanation may be necessary for the increase under 'Public Works.' Owing to paucity of funds, important works—especially roads and canals—had to be postponed year after year. It was considered unwise to put off these any longer andan additional allotment of Rs. 50,000 was granted from the surpluses at the instance of the Council and some of the more important of communication works were taken in hand.

The budget for 1107 leaves us in a still less comfortable situation. The year is expected to bring in a revenue of Rs. 2,00,240 and an expenditure of Rs. 2,34,550 is estimated thus resulting in a deficit of Rs. 34,310. There is no doubt, an improvement in the revenue of about Rs. 1,410 over the revised estimate of 1106. The expenditure has been cut down to the irreducible minimum. The only increase over the revised estimates of the current year that calls for any special mention is that under 'Sanitation and Conservancy'

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under which a lump sum of Rs. 2,200 has been provided for the shifting, etc., of the present contagious shed including the land acquisition charges. A sum of Rs. 600 is provided under 'Stationery' being the cost of printed forms to be credited to the Press next year forwards as in all State departments.

The revenue of Cranganur is, as has been observed by me previously, quite inelastic and has reached almost the water mark. The expenditure, on the contrary, is mounting up, necessarily too, on account of the progressive expansion of the departmental activities. The future years are sure to give us more trouble in making both ends meet, if means are not found for increasing the revenue.

39. **Conclusion.**—Sir, I am afraid I have tried the patience of the House by my long narration of dry facts and figures. Before I resume my seat, I once more commend these proposals to the Council as the best proposals that we could put before them at the present time of financial stress and we request the Council to consider them calmly and carefully on their merits. Strenuous endeavour has been made by us to respect the wishes of the Council and to advance the interests of the State as far as the funds at our disposal would permit. The separation of the Panchayat department, the organisation of manure depots, the creation of an irrigation division, the Andikadavu-Chellanam water supply scheme, the development of communications by the opening of new roads such as the Vypeen-Pallipuram road, the proposal for the anti-malarial survey, the liberal provisions for medical aid, the development of the Hydro-electric scheme, the larger provision under 'Education', the appointment of a full-time Protector to look after the interests of our depressed brothers and sisters, the speedy development of the Harbour and the Broadgauge railway—all these and many others unnamed indicate our sincere anxiety to serve the cause of the people to the best of our ability; but for the severe economic depression which has tied our hands, provisions would have been made for other beneficial measures as well. With these words, Sir, I beg formally to introduce the budget estimates of the State for the year 1107 M. E.

The House rose for the day at 1 p. m.

C. J. MATHEW,
Secretary to the Council.

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